

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 30, 2011
POSITION: Oppose

BILL NUMBER: SB 779
AUTHOR: T. Lieu

BILL SUMMARY: Pupil Instruction: Economics: Personal Finances

This bill would allow school districts to include understanding of personal finances in their instruction of economics, and would require the State Department of Education (SDE) to consider developing a personal finance curriculum in the next history-social science curriculum framework adoption.

FISCAL SUMMARY

Based on cost estimates of similar legislation, SDE review could result in \$150,000 of on-going General Fund state operations costs to develop a personal finance curriculum. Assuming the SDE develops the proposed curriculum, this bill would likely result in new information being added to the next instructional materials adoption, which would result in additional costs to publishers. These costs would then be passed on to school districts which, while not quantifiable, could be substantial.

COMMENTS

The Department of Finance is opposed to this bill for the following reasons:

- This bill could result in new General Fund state operations costs at a time when other core General Fund programs are being significantly reduced or eliminated. Additionally, the bill could result in additional local assistance costs for school districts to purchase new instructional materials which, while not quantifiable, could be substantial.
- The State Board of Education (Board) has the responsibility to adopt school curriculum standards and frameworks. This bill circumvents the Board's authority by allowing the SDE to develop a model personal finances curriculum to be adopted by school districts without any requirement for the Board to approve the curriculum.
- The bill is unnecessary since nothing in current law prevents teachers or school districts from including instruction related to understanding personal finances in their economics courses as they deem necessary.

The Board serves as the oversight body for the statewide K-12 content standards used for instructional materials, assessments, and accountability purposes. The Board also adopts textbooks for grades K-8 and regulations to implement legislation. The existing process to modify curriculum frameworks based on stable content standards provides for substantial input from subject matter experts, including the Curriculum Commission, which serves as an advisory body to the Board on curriculum and instructional materials. The Curriculum Commission develops and recommends curriculum frameworks that the Board may use as blueprints for implementing the content standards in instructional materials, teacher training programs, and exams. The Budget Act of 2011 suspends curriculum review and instructional materials adoptions by the Board for an additional two fiscal years. Current law suspended this requirement for five fiscal years.

Analyst/Principal (0362) R. Storm	Date	Program Budget Manager Nick Schweizer	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

T. Lieu

June 30, 2011

SB 779

According to the author's office, the bill addresses a perceived need that California students be prepared sooner and more extensively in understanding personal finances, including, but not limited to, budgeting, savings, credit, and identity theft.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO RV	PROP 98	FC	2011-2012	FC	2012-2013	FC	2013-2014	Fund Code
6110/Dept of Educ	SO	No	-----	See Fiscal Summary					0001
6110/Dept of Educ	LA	Yes	-----	See Fiscal Summary					0001